



May 23, 2014

For Immediate Release

**Ryosan Company, Limited**

Representative: Naoto Mimatsu, President

Listing Code No.: 8140

Listing: First Section, Tokyo Stock Exchange

Inquiries: Fusakazu Atarashi

General Manager

Corporate Planning Headquarters

IR and Publicity Office

TEL: +81-3-3862-3816

**Notice Concerning Establishment of Subsidiary through  
Non-Consolidate Incorporation-type Company Split**

The Company hereby announces that, based on the decision announced on March 25, 2014, its Board of Directors resolved at a meeting held on May 23, 2014 to succeed the heat sink production business (hereinafter referred to as “the Business”) to the new company Sankyo Thermotech Co., Ltd. through a company split as of September 1, 2014, (hereinafter referred to as “the Company Split”). Details are listed below.

Note that the Company Split is a non-consolidated incorporation-type company split and a portion of disclosure items/content is abbreviated.

Details

1. Purpose of the Company Split

As part of our efforts to implement a program of selection and concentration of our business, the Company has reviewed a variety of options related to the possibility of further development in the Business. As a result, the Company determined that transfer of the Business to Sankyo Tateyama will enable response to customer needs, and therefore made this resolution.

2. Overview of the Company Split

(1) Schedule for the Company Split

- Resolution by Board of Directors approving incorporation-type company split

May 23, 2014

- The date of the split (Effective date)

September 1, 2014

\*The Company Split is a simple split as defined in Article 805 of the Companies Act.

Therefore, the split is performed without receiving approval at a general meeting of stockholders.

(2) Method of the Company Split

The method is an incorporation-type company split (simple split) in which a new company is founding with the Company (Ryosan Company, Limited) being split.

(3) Share allotment associated with the Company Split

6,000 shares of common stock will be issued for the new company at the time of the Company Split. All shares will be allocated and delivered to the Company. On the same day as the effective date for the Company Split, the Company will transfer all relevant shares to Sankyo Tateyama.

(4) Treatment of share options and bonds with share options associated with the Company

The Company will not issue share options or bonds with share options.

(5) Decrease in capital to the Company Split

There is no capital to be decreased due to the Company Split.

(6) Rights and obligations succeeded by the new company

The new company is scheduled to succeed from the Company the items defined in the new company split plan dated May 23, 2014. Specifically, this refers to all assets, liabilities and contractual status belonging to the Business as of the effective date, all rights and obligations accompanying those contracts, and all permits and licenses which can be lawfully succeeded.

(7) Forecast for performance of obligations

The Company and the new company expect the performance of obligations incurred following the effective date of the Company Split.

3. Overview of parties to the Company Split

(1) Overview of Split Company (as of March 31, 2014)

Name	Ryosan Company, Limited
Address	2-3-5 Higashi-Kanda, Chiyoda-ku, Tokyo, Japan
Representative	Naoto Mimatsu, President
Areas of business	Sale of semiconductors, electronic components and electronic equipment Development, manufacture and sale of Ryosan products such as heat sinks
Capital	17,690 million yen
Date of establishment	November 18, 1953
Number of shares issued and outstanding	31,500,000 shares
Accounting period	March 31
Number of employees	1,234 (consolidated)

Chief shareholder and stockholding ratio	• NORTHERN TRUST CO.(AVFC) RE SILCHESTER INTERNATIONAL	10%
	• INVESTORS INTERNATIONAL VALUE EQUITY TRUST	
	NORTHERN TRUST CO.(AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	6%
	• NORTHERN TRUST CO.(AVFC) SUB A/C NON TREATY	5%
	• SUMITOMO MITSUI BANKING CORPORATION	4%
	• BANK OF TOKYO-MITSUBISHI UFJ	3%

(2) New Company (scheduled to be established on September 1, 2014)

Name	Sankyo Thermotech Co., Ltd.
Address	38-1 Chuo 1-choume, Nakano-ku, Tokyo
Representative	President Satoshi Takabayashi
Areas of business	Manufacture and sale of heat sinks
Capital	300 million yen
Date of establishment	September 1, 2014 (tentative)
Number of shares issued and outstanding	6,000 shares
Accounting period	March 31
Number of employees	About 140
Chief shareholder and stockholding ratio	Ryosan Company, Limited 100%

(3) Financial condition and business performance for business year immediately before the company split

Accounting period	Fiscal 2012	Fiscal 2013	Fiscal 2014
Net assets	115,691 million yen (consolidated)	116,722 million yen (consolidated)	118,729 million yen (consolidated)
Total assets	167,079 million yen (consolidated)	160,220 million yen (consolidated)	169,247 million yen (consolidated)
Net assets per share	3,457.13 yen (consolidated)	3,595.42 yen (consolidated)	3,773.51 yen (consolidated)
Net sales	217,887 million yen (consolidated)	206,534 million yen (consolidated)	238,399 million yen (consolidated)
Operating income	3,511 million yen (consolidated)	3,673 million yen (consolidated)	5,144 million yen (consolidated)
Ordinary income	4,476 million yen (consolidated)	4,111 million yen (consolidated)	5,052 million yen (consolidated)
Net income	1,899 million yen (consolidated)	2,814 million yen (consolidated)	3,222 million yen (consolidated)

4. Overview of split business

(1) Business activities

Heat sink production business

(2) Operating results for the split business division (period ending March 31, 2014)

	Division (a)	The Company (consolidated) (b)	Ratio (a/b)
Net sales	3,435 million yen	238,399 million yen	1.4%

(3) Classification and book value for split assets and liabilities (as of March 31, 2014)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	808 million yen	Current liabilities	95 million yen
Fixed assets	977 million yen	Long-term liabilities	238 million yen
Total	1,784 million yen	Total	333 million yen

5. Condition of the listed company following the Company Split

There will be no change to the Company's name, business activities, address of headquarters, President, capital or accounting periods as a result of the Company Split.

6. Outlook

No material impact on the Company's performance is anticipated as a result of the Company Split.